

PUBLIC DISCLOSURE

November 17, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**AMALGAMATED BANK
00622
275 Seventh Avenue
New York, New York 10001**

**Federal Deposit Insurance Corporation
350 Fifth Avenue – Suite 1200
New York, New York 10118**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Amalgamated Bank** prepared by the **Federal Deposit Insurance Corporation (FDIC)**, the institution's supervisory agency, as of **November 17, 2014**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

A CRA rating of “Satisfactory” is assigned. An institution in this category has a satisfactory record of helping to meet the credit needs of its assessment areas, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Overall, Amalgamated Bank (Amalgamated) demonstrated an adequate responsiveness to the credit needs of its assessment areas. In evaluating the bank’s overall performance, the evaluation placed more emphasis on the bank’s performance in its New York/New Jersey assessment area since this is where a majority of the bank’s deposits, loans, and services are located. Minimal weight was placed on the California (Los Angeles), Nevada (Las Vegas – Paradise), and Washington, D.C. assessment areas, since the bank maintained just one branch office location in each of those assessment areas and a small percentage of its deposits and loans.

The following table indicates the performance level of Amalgamated with respect to the lending, investment and service tests.

PERFORMANCE LEVELS	Amalgamated Bank		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			X
Low Satisfactory	X	X	
Needs to Improve			
Substantial Noncompliance			
(*)The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.			

Lending Test

- Amalgamated’s lending levels reflect adequate responsiveness to the credit needs of its assessment areas.
- The bank made a high percentage of its 1-4 family loans, multifamily loans, and small business loans inside its assessment areas.
- The geographic distribution of loans reflects adequate penetration throughout the assessment areas.

- The distribution of borrowers reflects poor penetration among individuals of different income levels and business customers of different revenue sizes, given the product lines offered by the bank.
- Amalgamated made a relatively high level of community development loans.
- Amalgamated does not use innovative or flexible lending practices.

While the performance measures noted above reflect adequate performance, the bank's performance in three of its assessment areas reveals poor responsiveness to the credit needs of those areas. Specifically, the lending performance in its Washington, D.C., Nevada, and California assessment areas is poor, as the distribution of loans compares unfavorably to the areas' demographics and to the combined performance of other lenders in the areas.

Investment Test

- The bank has an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.
- The bank exhibits adequate responsiveness to credit and community economic development needs.
- The bank occasionally uses innovative and/or complex investments to support community development initiatives.

Service Test

- Delivery systems are accessible to essentially all portions of the institution's assessment areas.
- To the extent that changes have been made, the bank's record of opening, closing, or relocating branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.
- Services (including, where appropriate, business hours) do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals.
- The bank provides a relatively high level of community development services.

DESCRIPTION OF INSTITUTION

Established in 1923, Amalgamated is a state-chartered, interstate commercial bank headquartered in New York, New York. The bank is a subsidiary of Workers United, a bank holding company. The bank's mission is to be the preeminent bank of progressive people, organizations, businesses and labor. Amalgamated operates 24 branch offices, including 20 branches in New York and 1 branch each in California, Nevada, New Jersey, and Washington, D.C.

The bank provides a wide range of financial products and services to retail and commercial customers. Product offerings include consumer and business deposit accounts, and consumer and commercial loans. Other services offered by the bank include online banking with bill pay, direct deposit, remote deposit, and telephone banking. Investment and insurance products are offered through Amalgamated Investment Services.

As of September 30, 2014, the bank reported total assets of \$3.6 billion, which included \$1.9 billion, or 52.3 percent, in net loans and \$1.4 billion, or 38.9 percent, in securities. Amalgamated reported total deposits of \$2.5 billion, with core deposits representing 88.0 percent of total deposits. The bank's total assets have decreased by 20 percent when compared to the bank's total assets of \$4.5 billion as March 31, 2011. The institution is primarily a real estate lender, as loans secured by real estate represent 73.3 percent of the loan portfolio. Table 1 illustrates the composition of the bank's loan portfolio.

Table 1 - Loan Portfolio Distribution as of September 30, 2014		
Loan Type	Dollar Volume \$ (000)	Percentage of Total Loans
Construction and Land Development	1,679	0.1
Secured by Farmland	0	0.0
Revolving Open-end 1 to 4 Family Residential	50,024	2.6
Closed-end 1 to 4 Family Residential First Lien	428,604	22.4
Closed-end 1 to 4 Family Residential Junior Lien	0	0.0
Multifamily Residential	505,178	26.3
Commercial Real Estate	419,766	21.9
Loans to Finance Agricultural Production	0	0.0
Commercial and Industrial Loans	440,788	23.0
Consumer Credit Cards	0	0.0
Other Consumer Revolving Loans	5	0.0
Closed-end Consumer Loans	4,591	0.2
Obligations of States and Political Subdivisions	19,111	1.0
Other Loans	49,615	2.6
Lease financing receivables (net of unearned income)	0	0.0
Less: Any Unearned Income on Loans	2,539	0.1
Total Loans	1,916,822	100.0
<i>Source: September 30, 2014 Consolidated Report of Condition</i>		

Amalgamated's CRA performance was last evaluated by the FDIC on July 19, 2011 using the Large Bank examination procedures. The evaluation assigned Amalgamated a CRA rating of "Satisfactory." A review of FDIC records, as well as the bank's CRA Public File, did not reveal any complaints regarding the bank's CRA performance since the last evaluation.

There are no legal or financial impediments that would inhibit Amalgamated's ability to meet the credit needs of its communities, consistent with its business strategy, size, and resources, as well as the local economic climate in each state.

DESCRIPTION OF COMBINED ASSESSMENT AREA

Amalgamated's combined assessment area (CAA) is comprised of four individual assessment areas located within five states (California, Maryland, Nevada, New Jersey, and New York) and Washington, D.C. (District of Columbia). Amalgamated's assessment areas conform to the requirements of the CRA regulation and do not arbitrarily exclude any low- and moderate-income geographies.

Table 2 provides demographic information for the CAA.

Table 2 – Demographic Information – CAA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Census Tracts	6,019	10.5	25.9	30.6	31.0	2.0
Population by Census Tract Income Level	24,245,770	10.6	27.1	30.7	31.3	0.3
Owner-Occupied Housing Units by Census Tract Income Level	3,985,348	2.7	15.6	35.0	46.7	0.0
Businesses by Census Tract Income Level	2,060,151	6.7	18.5	27.7	45.4	1.7
Families by Income Level	5,490,481	25.0	16.6	18.0	40.4	0
Families by Census Tract Income Level	5,490,481	9.9	25.7	31.3	33.1	0
Median Family Income (MFI)		\$69,350	Median Housing Value		\$491,525	
HUD Adjusted MFI for 2013		\$70,871	Unemployment Rate		4.28%	
Households Below Poverty Level		14%				
Source: 2010 U.S. Census Data, 2013 D&B Data						

Table 3 provides selected housing characteristics for the CAA.

Table 3 - Selected Housing Characteristics by Income Category of the Geography – CAA									
Geographic Income Category	Percentage						Median		
	House- holds	Housing Units	Owner- Occupied	Rental Units	Multi Family	Vacant Units	Age	Housing Value \$	Gross Rent \$
Low	10.0	10.1	2.7	16.3	17.0	11.5	54	355,610	801
Moderate	25.1	25.2	15.6	33.5	30.1	26.5	54	366,314	1,003
Middle	30.3	30.1	35.0	26.2	22.9	27.2	48	413,793	1,184
Upper	34.6	34.6	46.7	24.0	29.9	34.7	47	620,501	1,521
NA	0.0	0.0	0.0	0.0	0.1	0.1	58	107,798	391
Total	100.0	100.0	100.0	100.0	100.0	100.0	50	503,548	1,141
<i>Source: 2010 U.S. Census</i>									

Table 4 provides information concerning the metropolitan areas and counties that comprise the individual assessment areas in the CAA. The table also includes the distribution of the bank's branches and ATMs.

Table 4 – Composition, Branches, and ATMs - CAA				
Assessment Area	Metropolitan Statistical Area (MSA)	Counties	Branches	ATMs
New York - New Jersey Multi-State	New York-Newark-Jersey City, NY- NJ-PA MSA (MSA #35620)	New York: Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, and Westchester. New Jersey: Bergen, Essex, Hudson, Passaic, and Union.	21	43
District of Columbia	Washington-Arlington-Alexandria, DC-VA-MD-WV MSA (MSA #47900)	District of Columbia. Montgomery and Prince George's County, Maryland.	1	4
Nevada	Las Vegas-Henderson-Paradise, NV MSA (MSA #29820)	Clark	1	1
California	Los Angeles-Long Beach-Anaheim, CA MSA (MSA #31080)	Los Angeles	1	2
Totals			24	50
<i>Source: Office of Management and Budget; Bank records</i>				

Table 5 shows the distribution and concentration of the bank's deposits, full-service branches, and ATMs among its four individual assessment areas and the CAA.

Table 5 - Deposit, Branch, and ATM Distribution by Count - CAA								
Assessment area	Census Tracts in Assessment area		Deposits (000s)		Branches		ATMs	
	#	%	\$	%	#	%	#	%
New York - New Jersey Multi-State	2,740	45.5	2,460,910	89.9	21	87.4	43	86.0
District of Columbia	446	7.4	214,975	7.8	1	4.2	4	8.0
Nevada	487	8.1	3,205	0.1	1	4.2	1	2.0
California	2,346	39.0	59,773	2.2	1	4.2	2	4.0
CAA	6,019	100.0	2,738,863	100.0	24	100.0	50	100.0
<i>Source: 2010 Census Data, 9/30/14 bank supplied data.</i>								

SCOPE OF EXAMINATION

The evaluation reviewed the bank's CRA performance using the Large Bank CRA examination procedures. The CRA defines a large bank as one that had total assets of at least \$1.202 billion as of December 31 of both of the prior two calendar years. The Large Bank CRA examination procedures are comprised of three tests, including the Lending, Investment, and Service Tests. This evaluation reflects Amalgamated's performance since the previous evaluation dated July 19, 2011.

To evaluate the bank's lending performance, the evaluation analyzed all 1-4 family loans and multifamily loans originated or purchased by the bank between January 1, 2012 and September 30, 2014. Information for these loan types was taken from the loan application register (LAR) maintained by the bank pursuant to the Home Mortgage Disclosure Act (HMDA). Except for Table D, the evaluation does not present the 2014 HMDA data, as the lending activity for this period was generally consistent with the activity in 2012 and 2013.

The evaluation placed the greatest weight on the bank's performance in its New York/New Jersey assessment area, as this area accounts for the majority of the bank's branch offices, deposits, and lending activity. Furthermore, the evaluation gave the greatest weight to the HMDA 1-4 family loans, as those loans comprised the largest share of the bank's total lending. The bank originated only a small number of small business loans, so the evaluation did not analyze business lending. The evaluation also did not review consumer lending, since consumer loans do not represent a substantial portion of the bank's lending. Refer to Table 6 for information concerning the distribution of the bank's HMDA, multifamily and small business loans among its four assessment areas.

Table 6 - HMDA, Multifamily, Small Business Loan Distributions - CAA								
Assessment Area	HMDA Loans		Multifamily Loans		Small Business Loans		Total Loans	
	#	%	#	%	#	%	#	%
New York --New Jersey Multi-State	202	98.5	61	93.9	7	100	270	97.5
District of Columbia	3	1.5	4	6.1	0	0.0	7	2.5
Nevada	0	0.0	0	0.0	0	0.0	0	0.0
California	0	0.0	0	0.0	0	0.0	0	0.0
CAA	205	100.0	65	100.0	7	100.0	277	100.0
<i>Source: 2012 and 2013 HMDA LARs and CRA loan registers</i>								

For the Lending Test, the evaluation gave the greatest weight to the borrower profile and geographic distribution performance factors. In addition, the evaluation placed more weight on the comparisons to the aggregate lending data than to the distribution of the assessment areas' housing units or families. The aggregate data reflects the market share, demand, and competition within the assessment area. This evaluation presents aggregate data for 2012 only, as the data was not available for 2013 at the time of this evaluation.

Examiners reviewed and analyzed the bank's community development loans, community development investments, grants, donations, and services from July 19, 2011 through November 17, 2014.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The Lending Test evaluates the institution's record of helping to meet the credit needs of its assessment areas by considering an institution's small business, HMDA 1-4 family loans, and multifamily loans, as well as its community development lending. The institution's lending performance is evaluated under the following criteria:

- Volume of lending activity;
- Proportion of lending within the assessment areas;
- Geographic distribution of loans;
- Borrower profile;
- Volume of community development lending; and the
- Use of innovative and flexible lending practices.

Lending Activity

Amalgamated's lending levels reflect an adequate responsiveness to its assessment area credit needs, based primarily on the performance within the New York/New Jersey multi-state assessment area. Refer to the New York/New Jersey multi-state ratings section for further details.

The bank increased its HMDA lending substantially starting in 2013. Prior to 2012, Amalgamated did not originate HMDA loans, but instead purchased residential loans from a third party. In an effort to consolidate the bank's lending activity within one centralized division, the bank established a residential lending department in July 2012 to originate loans internally. The bank subsequently launched a marketing campaign to promote this change.

Assessment Area Concentration

The bank originated a high percentage of its loans inside its assessment areas. Table 7 shows the distribution of HMDA 1-4 family, multifamily, and small business loans inside the CAA by total number and dollar volume.

Table 7 - Distribution of Loans Inside and Outside the CAA

	Number of Loans					Dollar Amount of Loans				
Loan Type	Inside Assessment area		Outside Assessment area		Total	Inside Assessment area		Outside Assessment area		Total
	#	%	#	%		\$(000)	%	\$(000)	%	
HMDA 1-4										
2012	41	91.1	4	8.9	45	8,154	86.1	1,316	13.9	9,470
2013	164	84.5	30	15.5	194	42,483	81.5	9,673	18.5	52,156
YTD 2014	100	81.3	23	18.7	123	31,870	81.9	7,052	18.1	38,922
Subtotal	305	84.3	57	15.7	362	82,507	82.1	18,041	17.9	100,548
Multifamily										
2012	28	96.6	1	3.4	29	132,534	97.1	4,000	2.9	136,534
2013	37	94.9	2	5.1	39	144,844	95.1	7,450	4.9	152,294
YTD 2014	17	100.0	0	0.0	17	69,220	100.0	0	0.0	69,220
Subtotal	82	96.5	3	3.5	85	346,598	96.8	11,450	3.2	358,048
Small Business										
2012	2	100.0	0	0.0	2	31	100.0	0	0.0	31
2013	5	83.3	1	16.7	6	113	53.1	100	46.9	213
YTD 2014	0	0.0	0	0.0	0	0	0.0	0	0.0	0
Subtotal	7	87.5	1	12.5	8	144	59.0	100	41.0	244
Total	394	86.6	61	13.4	455	429,249	93.6	29,591	6.4	458,840

Source: 2012, 2013, and 2014 YTD HMDA LARs and CRA loans registers

As indicated in Table 10, the bank originated a substantial majority of its multifamily loans within the assessment area. In addition, the table also shows that the bank made a majority of its HMDA 1-4 family and small business loans inside the assessment area. The significant increase in HMDA 1-4 family loans from 2012 to 2013 was the result of the bank establishing a residential lending department in 2012 to originate loans internally.

Geographic Distribution

Overall, the geographic distribution of loans reflects adequate penetration throughout the bank's CAA.

HMDA Mortgage Lending

The bank originated 41 HMDA 1-4 family loans in 2012 and 164 loans in 2013. The geographic distribution of the HMDA loans lending reflects adequate penetration throughout the CAA. The year-to-date September 30, 2014 geographic distribution performance for the bank's HMDA 1-4 family loans in the CAA is relatively similar to that of 2012 and 2013. Refer to each of the assessment areas for a detailed analysis.

Multifamily Lending

The geographic distribution of the bank's multifamily loans reflects adequate penetration throughout the assessment areas. The bank originated 28 multifamily loans in 2012 and 37 loans in 2013. The year-to-date September 30, 2014 geographic distribution performance for the bank's multifamily loans in the CAA is relatively similar to that of 2012 and 2013. Refer to each of the assessment areas for a detailed analysis.

Borrower Profile

Overall, the distribution of borrowers reflects poor penetration among individuals of different income levels and business customers of different revenue sizes, given the product lines offered by the bank. Since borrower income information is not obtained for multifamily loans, this factor was evaluated solely on the bank's HMDA 1-4 family loan originations.

Innovative or Flexible Lending Practices

The bank does not make use of innovative or flexible lending practices.

Community Development Lending

The institution's community development lending activities are evaluated pursuant to the following criteria: 1) the extent to which community development lending opportunities have been made available to the institution; 2) the responsiveness of the institution's community development lending; and 3) the extent of leadership the institution has demonstrated in community development lending.

Amalgamated made a relatively high level of community development loans. Community development loans totaled \$146.4 million, representing 7.7 percent of the bank's total loans (\$1.9 billion) and 4.1 percent of the bank's total assets (\$3.6 billion) as of September 30, 2014. Table 8 displays the bank's community development loans by year and category.

Table 8 – Community Development Lending – CAA										
Year	Total		Affordable Housing		Community Services		Economic Development		Revitalization or Stabilization	
	#	\$ (000)	#	\$ (000)	#	\$ (000)	#	\$ (000)	#	\$ (000)
2011	10	34,450	7	29,150	2	5,200	1	100	0	0
2012	10	27,691	7	27,141	2	300	0	0	1	250
2013	13	51,619	9	35,669	2	14,100	1	100	1	1,750
2014 – YTD	9	28,420	6	24,920	3	3,500	0	0	0	0
* BSWR	3	4,192	0	0	3	4,192	0	0	0	0
Total	45	146,372	29	116,880	12	27,292	2	200	2	2,000
<i>Source: Bank records * Broader Statewide Regional Area</i>										

Refer to the Community Development Lending comments within each assessment area for detailed discussions of the bank's performance.

INVESTMENT TEST

The investment test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through its use of qualified investments that benefit the assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s). A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development to support the following endeavors: 1) affordable housing; 2) community services targeting low- and moderate-income individuals; 3) activities that promote economic development by financing small farms and small businesses; and 4) activities that revitalize or stabilize low- and moderate-income geographies.

Activities considered under the lending or service test may not be considered under the investment test. The institution's investment performance is evaluated pursuant to the following criteria: 1) the dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; and 4) the degree to which the qualified investments are not routinely provided by private investors.

The institution has an adequate level of qualified investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. The institution exhibits adequate responsiveness to credit and community economic development needs. In addition, the bank occasionally uses innovative and/or complex qualified investments to support community development initiatives.

The bank had total qualified investments of approximately \$43.8 million. This total represents 1.2 percent of total assets, 12.7 percent of total equity capital, and 3.1 percent of total securities as of September 30, 2014. Approximately \$19.2 million of the investments were made during this evaluation period. In addition, prior period investments totaled approximately \$24.6 million. The total qualified investments increased 68.7 percent compared to the previous CRA evaluation's total of \$25.9 million. In addition, the bank improved its Investment Test performance in its California and Washington, D.C. assessment areas compared to the prior CRA evaluation.

Refer to Table 9 for information regarding the bank's community development investments by assessment area and purpose.

Table 9 – Community Development Investments – CAA												
Assessment areas	Total		Affordable Housing		Community Services		Economic Development		Revitalization or Stabilization		Neighborhood Stabilization	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
Prior Period Total	12	24,627	2	5,563	1	3,881	8	14,329	1	854	0	0
New York - New Jersey Multi-State	0	0	0	0	0	0	0	0	0	0	0	0
District of Columbia	1	4,158	1	4,158	0	0	0	0	0	0	0	0
Nevada	0	0	0	0	0	0	0	0	0	0	0	0
California	1	15,000	0	0	0	0	1	15,000	0	0	0	0
Current Period Total	2	19,158	1	4,158	0	0	1	15,000	0	0	0	0
Total	14	43,785	3	9,721	1	3,881	9	29,329	1	854	0	0

Source: Bank data

Amalgamated has contributed community development grants and donations totaling approximately \$257,000. Table 10 below displays the bank's community development grants and donations by assessment area and purpose.

Table 10 – CD Donations – CAA								
Assessment areas	Total		Affordable Housing		Community Services		Economic Development	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
New York - New Jersey Multi-State	65	235	20	159	41	69	4	7
District of Columbia	4	18	0	0	4	18	0	0
Nevada	1	1	0	0	1	1	0	0
California	3	3	1	2	2	1	0	0
*BSWR	0	0	0	0	0	0	0	0
Total	73	257	21	161	49	89	4	7

Source: Bank records * Broader Statewide Regional Area

Please refer to the Investment Test comments within each assessment area for detailed discussions of the bank's performance.

SERVICE TEST

Retail Banking Services

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the institution's assessment areas. Table 11 illustrates the distribution of branches and ATMs among the CAA's various census tract income levels. Refer to the Service Test discussion of each assessment area for a detailed analysis.

Table 11 – Branch Structure – CAA						
Branch and ATM Distribution	Census Tract Income Level					
	Low	Moderate	Middle	Upper	N/A	Total
Number of Branches as of November 17, 2014	3	3	10	8	0	24
Percentage of Branches	12.5	12.5	41.7	33.3	0	100.0
Number of ATMs	6	7	18	19	0	50
Percentage of ATMs	12.0	14.0	36.0	38.0	0	100.0
Comparisons						
Percentage of Branches - All Institutions	6.7	17.5	31.3	42.1	2.4	100.0
Percentage of Households	10.0	25.1	30.3	34.6	0.0	100.0
Percentage of Families	9.9	25.7	31.3	33.1	0.0	100.0
Percentage of Businesses	6.7	18.5	27.7	45.4	1.7	100.0
<i>Source: Bank records, 2010 U.S. Census, 2013 D&B</i>						

As shown in Table 11, Amalgamated maintained 12.5 percent of its branches in both the low- and moderate-income census tracts. Similarly, 12.0 and 14.0 percent of the bank's ATMs are located in low- or moderate-income census tracts, respectively. The bank's presence in low-income geographies compares favorably to comparable institutions and the percentage of households, families, and businesses. The percentage of bank offices in the moderate-income geographies is less than the percentage maintained by all institutions and the demographic measures, but is nonetheless reasonable.

Alternative Delivery Systems

Amalgamated offers an array of alternative delivery systems to provide customers, including low- and moderate-income customers, a variety of methods to access account information and obtain information on the bank's services.

The bank operates an ATM at each branch office and offers online banking with mobile banking access. ATM cardholders can use machines affiliated with numerous networks. One of the networks, the Allpoint ATM network, allows cardholders to access ATMs nationwide with no surcharge. Customers can also use the Cash Plus debit cards to conduct point-of-sale purchases at any establishment displaying the MasterCard logo. The bank also utilizes the QUEST network, which is sponsored by the Electronic Benefits and Services Council of the National

Automated Clearing House Association. The City of New York distributes welfare payments and food stamp benefits through a stored value card that utilizes the QUEST network. Participants in the program are able to receive benefits through the bank's ATMs with no surcharge.

Changes in Branch Locations

The bank's record of closing branches has not adversely affected the accessibility of the bank's overall delivery systems. Although the bank closed three branches since the last CRA evaluation, the closures were limited to the bank's Nevada office network and were part of the bank's strategic plan to close all operations in that state. Following the closures, the total number of branches decreased from 27 to the current 24, while the number of ATMs decreased from 58 to 50.

Reasonableness of Business Hours and Services in Meeting Assessment area Needs

Services (including, where appropriate, business hours) do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. Branch hours are convenient and comparable to other local financial institutions. General banking hours are 8:30 AM to 4:00 PM or 5:00 PM, Monday through Friday. All but two branches offer Saturday hours. In addition, one branch in the Midwood section of Brooklyn offers Sunday hours. There is an ATM at each branch and two branches offer drive-through facilities.

Community Development Services

The institution's community development services are evaluated pursuant to the following criteria: 1) the extent of community development services offered and used; 2) the innovativeness of community development services, including whether they serve low- and moderate-income customers in new ways or serve groups of customers not previously served; 3) the degree to which they serve low- and moderate-income areas or individuals; and 4) their responsiveness to available opportunities for community development services.

The bank provides an adequate level of community development services. Services primarily involved participation by bank employees in local community development organizations, providing financial literacy training targeted to low- and moderate-income areas or individuals, and offering technical assistance to enable community development organizations to achieve their goals.

During the evaluation period, Amalgamated Bank participated in 121 community development activities.

The following are examples of the bank's community development service efforts.

Convenient Savings Account - This is an entry-level savings account with a no minimum balance requirement to open the account, no monthly maintenance fees, and tiered interest rates on balances. This account allows for the option to participate in the Donate the Change Program.

Financial Literacy Education - The bank's Money Sense financial literacy education program consists of the following modules: Developing a Personal Checkbook; Credit, Debt Management; Banking Terminology; First Time Homebuyers; Goal Setting; ID Theft and Scams; Basic Banking; Personal Spending Plan; and Overdraft. Training sessions are free to the public. The bank publicizes the seminar locations, dates and times via a brochure and its website.

Examples of local organizations with which the bank worked with to provide the training seminars include: the Midwood Development Corporation; Bronx Works; Pratt Area Community Council; HELP Las Vegas Veterans Apartments; Opportunities for a Better Tomorrow; American Family Community Services; Grace Institute; Neighborhood Housing Services of New York; Food Bank of New York; and local community colleges. The bank also held the seminars independently at its branches. The bank provided 83 financial literacy training/workshop courses during the evaluation period. The seminars were free for both customers and non-customers.

Board Directors and Committees - The CRA officer, the executive vice president of community development and several branch officers have been serving as Board members and/or committee members for various community development organizations, affordable housing organizations, and business improvement districts.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The evaluation identified no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

MULTISTATE METROPOLITAN AREA

CRA RATING FOR NEW YORK-NEWARK-JERSEY CITY, NEW YORK-NEW JERSEY-PENNSYLVANIA METROPOLITAN STATISTICAL AREA (MSA):
Satisfactory.

The Lending Test is rated: Low Satisfactory.

The Investment Test is rated: Low Satisfactory.

The Service Test is rated: High Satisfactory.

SCOPE OF EXAMINATION

The evaluation reviewed Amalgamated Bank's performance in its New York/New Jersey multistate assessment area (NY/NJ assessment area) using full-scope procedures. The evaluation reviewed HMDA reportable 1-4 family and multifamily loans originated by the bank during 2012, 2013, and year-to-date 2014. The evaluation did not review the bank's small business loans due to the nominal number of loans. The evaluation also reviewed community development activities conducted since the previous evaluation. Refer to Appendix A for additional information regarding the scope of examination.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE NEW YORK-NEWARK-JERSEY CITY, NEW YORK-NEW JERSEY-PENNSYLVANIA MSA

Overview

The NY/NJ assessment area consists of 3,503 census tracts within thirteen counties. Eight counties are located in New York and include Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, and Westchester. Five counties are located in New Jersey and include Bergen, Essex, Hudson, Passaic, and Union. The entire assessment area is located in the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area (MSA #35620).

The assessment area consists of whole counties and does not arbitrarily exclude any low- or moderate-income census tracts. The assessment area is located in and around the greater New York metropolitan area and is comprised of primarily an urban population.

Amalgamated operates 21 branches in this assessment area, which represents 87.5 percent of the bank's 24 branch office locations. According to the FDIC's June 30, 2014 Deposit Market Share report, 88.4 percent of the bank's total deposits were located in this assessment area. This same data indicates that 177 FDIC-insured institutions operate in this area, with Amalgamated ranking 38th by deposit market share.

Demographic Information

Tables NY/NJ 1 and NY/NJ 2 summarize the demographic and housing information of this assessment area.

Table NY/NJ 1 – Demographic Information						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Census Tracts	2,740	12.9	25.3	31.6	27.3	2.9
Population by Census Tract Income Level	10,775,465	15.0	27.0	29.5	28.3	0.2
Owner-Occupied Housing Units by Census Tract Income Level	1,656,076	2.9	14.5	37.7	44.9	0.0
Businesses by Census Tract Income Level	899,683	7.1	17.0	27.1	46.4	2.4
Families by Income Level	2,493,825	26.2	16.1	17.1	40.6	0.0
Families by Census Tract Income Level	2,493,825	14.3	26.0	30.7	29.0	0.0
Median Family Income		\$71,531	Median Housing Value	\$526,108		
HUD Adjusted MFI for 2013		\$73,858	Unemployment Rate	4.07%		
Households Below Poverty Level		16%				
Source: 2010 U.S. Census Data, 2014 D&B Data						

Table NY/NJ 2 - Selected Housing Characteristics by Income Category of the Geography									
Geographic Income Category	Percentage						Median		
	House- holds	Housing Units	Owner- Occupied	Rental Units	Multi Family	Vacant Units	Age*	Housing Value\$*	Gross Rent**
Low	13.5	13.5	2.9	21.2	20.5	12.7	59	450,071	785
Moderate	25.6	25.7	14.5	33.8	29.7	26.1	63	474,542	1,026
Middle	29.2	28.8	37.7	23.1	19.0	24.2	59	477,562	1,204
Upper	31.6	32.0	44.9	21.9	30.7	37.0	56	621,333	1,591
NA	0.1	0.0	0.0	0.0	0.1	0.0	49	NA	1,003
Total	100.0	100.0	100.0	100.0	100.0	100.0	59	544,466	1,141
<i>Source: 2010 U.S. Census, * - Owner-Occupied Units, ** - Renter-Occupied Units</i>									

Economic Information

The New York area's economy has a slow start since 2013. The economy started to pick up during the summer when the area had the strongest job growth in over a year, particularly in education and the hospitality industry. The employment rate fell sharply from 8.3 percent in 2013 to the current 7.1 percent. Although a contracting labor force partially contributed to this result, the decrease in the unemployment rate had a positive effect on consumer and business confidence. The commercial real estate market is thriving. Rents are rising and vacancies are near a six-year low. This has further increased employment in construction jobs.

The area's housing market is improving as well as homebuyers' credit quality. In the New York City area, condominiums and co-operative units experienced the strongest growth since 2007. Within the New York area, existing home prices have increased by 13.3 percent since 2013. The numbers of single-family and multifamily permits have increased by 16.0 percent and 39.5 percent, respectively, since 2013.

The top industries are health care, financial services, retail trade, and education. These include companies such as NorthShore Long Island Jewish Health System, JP Morgan Chase, Mount Sinai Medical Center, Macy's Inc., and Citibank. The number of employees for each of these employers ranged from 24,999 to 48,650.

Competition

There is a high level of competition to provide banking services within this assessment area. In 2012, 486 lenders originated at least one HMDA-reportable loan in this assessment area. The high number of lenders results in strong competition for banks in residential mortgage lending within the area. Wells Fargo Bank, N.A., JP Morgan Chase Bank, N.A., Citibank, N. A., Bank of America, N.A., and TD Bank, N.A. dominate the bank's assessment area. These top five lenders had a combined market share of 44.0 percent of the number of mortgage loans and 44.0 percent by dollar amount.

Community Contact

The evaluation reviewed one community contact conducted in July 2014 to assist in developing the performance context for the evaluation. The contact is the executive director of a community organization whose mission is to enhance and improve the community by providing a range of services such as housing counseling, immigrant services, and assistance for adults with developmental disabilities.

The contact indicated affordable housing is always in short supply. The area has very high housing costs, home prices, and median rents. This has contributed to a decreased supply of affordable housing for low- and moderate-income households and families. Banks can assist by actively advising its borrowers to cure multifamily building violations and require its multifamily borrowers to be more energy efficient. The banks could also help the community by funding and supporting local community development organizations. In addition, banks should increase lending to small businesses in the communities. The contact stated that financial institutions are meeting the general banking and credit needs of the assessment area.

Credit and Community Development Needs and Opportunities

Based on the information obtained from the community contacts and bank management, as well as demographic and economic data, financial institutions are meeting the credit and community development needs of the bank's assessment area. As indicated by the community contact

information, affordable housing in the assessment area, particularly within the five boroughs of New York City, remains in high demand. Opportunities exist for originating loans to construct low- and moderate-income housing for qualified households and families.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE NEW YORK-NEWARK-JERSEY CITY, NEW YORK-NEW JERSEY-PENNSYLVANIA MSA

LENDING TEST

Lending Activity

Amalgamated's lending level reflects an adequate responsiveness to the NY/NJ assessment area's credit needs.

According to 2012 aggregate HMDA data, the bank ranked 511 among 1,271 lenders that reported one or more HMDA loans in the assessment area. The bank had a .04 percent market share by number of loans. In 2013, the bank increased the number of loans extended in this assessment area significantly. However, 2013 aggregate data was not available to gauge the impact on the bank's market ranking.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration within this assessment area.

HMDA Mortgage Lending

The geographic distribution of the bank's HMDA 1-4 family loans reflects adequate penetration throughout the assessment area. Table NY/NJ 3 shows the distribution of the bank's HMDA loans in the assessment area.

Table NY/NJ 3 - HMDA Loan Geographic Distribution						
Census Tract Income Level	Owner- Occupied Housing Units	2012 Aggregate Lending Data	2012 Bank		2013 Bank	
	%	%	#	%	#	%
Low	6.0	2.4	0	0.0	4	2.5
Moderate	21.4	10.1	8	19.5	21	13.0
Middle	39.1	31.9	9	22.0	47	29.2
Upper	33.4	55.4	24	58.5	88	54.7
N/A	0.1	0.2	0	0.0	1	0.6
Total	100.0	100.0	41	100.0	161	100.0
<i>Source: 2010 U.S. Census, 2012 HMDA Aggregate Data, 2012 and 2013 HMDA LARs</i>						

As shown in Table NY/NJ3, the bank's level of lending in the low-income census tracts in 2012 is poor when compared to the aggregate lending and housing data, as the bank did not originate any loans in the low-income census tracts during that year. However, the aggregate data indicates low demand from the low-income areas, as all lenders originated just 2.4 percent of its loans in those areas. The bank's lending in the moderate-income geographies in 2012 is excellent compared to the aggregate data. While it does not compare well to the percentage of owner-occupied housing units, the aggregate data is generally a better indicator of demand. Overall, the bank's geographic distribution of loans in 2012 is good.

In 2013, the percentage of the bank's HMDA loans in the low- and moderate-income census tracts is less than the percentage of owner-occupied housing units in those areas. However, the bank increased its lending in the low- and moderate-income census tracts considerably in 2013. Overall, the bank's geographic distribution of loans in 2013 is adequate.

The bank originated 98 HMDA loans in this assessment during year-to-date 2014. Overall, the distributions were relatively similar to 2013.

According to the 2012 HMDA aggregate data, the top ten lenders that originated one or more HMDA loans in a low- and moderate-income census tract accounted for 52.4 percent and 52.8 percent of the loans in those areas, respectively. Given this market dominance and the intense competition for HMDA loans, the bank's performance of lending in low- and moderate-income census tracts is reasonable.

Multifamily Lending

The geographic distribution of the bank's multifamily lending activity reflects adequate penetration throughout the assessment area. Table NY/NJ 4 shows the distribution of multifamily loans originated by the bank during 2012 and 2013.

Table NY/NJ 4 - Multi Family HMDA Loan Geographic Distribution						
Census Tract Income Level	Multifamily Units	2012 Aggregate Lending Data	2012 Bank		2013 Bank	
	%	%	#	%	#	%
Low	20.5	11.8	5	18.5	7	20.6
Moderate	29.7	28.5	5	18.5	12	35.3
Middle	19.0	21.8	5	18.5	6	17.6
Upper	30.7	37.8	12	44.5	9	26.5
N/A	0.1	0.1	0	0.0	0	0.0
Total	100.0	100.0	27	100.0	34	100.0
<i>Source: 2010 U.S. Census, 2012 HMDA Aggregate Data, 2012 and 2013 HMDA LARs</i>						

As shown in Table NY/NJ4, the bank's lending activity in the low-income census tracts in 2012 compares favorably to the aggregate data. While the bank's performance is less than the percentage of multifamily housing units in the low-income census tracts, the aggregate data is generally a better indicator of demand. In 2013, the bank increased its multifamily lending in the

low-income census tracts by number of loans and as a percentage of total loans. The lending in 2013 was consistent with the percentage of multifamily units in those areas.

In 2012, the bank's distribution of multifamily loans in the moderate-income census tracts is poor compared to the area's multifamily demographics and to the aggregate data. However, the bank more than doubled its multifamily lending in 2013. In 2013, the percentage of the bank's multifamily loans in the moderate-income census tracts exceeded the percentage of multifamily units in those areas.

The bank originated 17 multifamily loans for year-to-date 2014, continuing the increasing trend in the number of loans. Overall, the geographic distribution of the loans in 2014 was similar to the prior year.

Borrower Profile

The distribution of borrowers reflects poor penetration among retail customers of different income levels, given the product lines offered by the institution. The rating is based only the HMDA 1-4 family loans, as no income data is collected for multifamily loans.

Table NY/NJ 5 shows the distribution of HMDA 1-4 family loans by borrower income.

Table NY/NJ 5 – HMDA Loans By Borrower Profile						
Borrower Income Level	2010 Census Families	2012 Aggregate Data	2012 Bank		2013 Bank	
	%	%	#	%	#	%
Low	14.3	2.2	0	0.0	0	0.0
Moderate	26.0	8.9	3	7.3	11	6.8
Middle	30.7	19.1	12	29.3	41	25.5
Upper	29.0	59.7	26	63.4	109	67.7
Income Not Reported	0.0	10.1	0	0.0	0	0
Total	100.0	100.0	41	100.0	161	100.0
<i>Source: 2010 U.S. Census, 2012 HMDA Aggregate Data, 2012 and 2013 HMDA LARs</i>						

As shown in Table NY/NJ 5, the bank made no loans to low-income borrowers in 2012. The 2012 aggregate HMDA data shows some loan demand from low-income borrowers, as 2.2 percent of all loans originated by all HMDA data reporting institutions were to borrowers in this income category. The table also shows that the bank extended just three loans to moderate-income borrowers, which is below demographics and the 2012 aggregate data. Overall, the bank's lending to low- and moderate-income borrowers in 2012 was poor.

In 2013, the bank did not originate any HMDA 1-4 family loans to low-income borrowers. While the bank increased the number of loans to moderate-income borrowers, the number of loans to moderate-income borrowers as a percentage of total loans declined slightly from the

prior year and was well below demographics. Overall, the bank's lending to low- and moderate-income borrowers in 2013 was poor.

A review of the bank's year-to-date 2014 HMDA 1-4 family loans indicated a similar lending pattern. Of the 98 HMDA 1-4 family loans originated by the bank, one loan, or 1.0 percent of total loans, was extended to a low-income borrower, and six loans, or 6.1 percent, were extended to moderate-income borrowers.

Innovative or Flexible Lending Practices

The bank does not make use of innovative or flexible lending practices.

Community Development Lending

Amalgamated has a relatively high level of community development loans within its NY/NJ assessment area. The bank extended or renewed 43 community development loans totaling \$143 million since the prior evaluation. A substantial majority (80.6 percent) of the community development loans by dollar amount involved extending credit to existing multifamily properties that provide affordable housing.

Table NY/NJ 6 summarizes the community development lending in this assessment area by year and purpose.

Table NY/NJ 6 – Community Development Lending										
Year	Total		Affordable Housing		Community Services		Economic Development		Revitalization or Stabilization	
	#	\$ (000)	#	\$ (000)	#	\$ (000)	#	\$ (000)	#	\$ (000)
2011	10	34,450	7	29,150	2	5,200	1	100	0	0
2012	9	24,700	6	24,150	2	300	0	0	1	250
2013	12	51,200	9	37,000	2	14,100	1	100	0	0
2014 – YTD	9	28,420	6	24,920	3	3,500	0	0	0	0
BSWR*	3	4,192	0	0	3	4,192	0	0	0	0
Total	43	142,962	28	115,220	12	27,292	2	200	1	250
<i>Source: Bank records *Broader Statewide Regional Area</i>										

The following is a sample of the community development loans originated by the bank since the prior evaluation.

Affordable Housing

- Amalgamated originated 28 multifamily loans totaling \$115.2 million for properties that provide affordable housing to assessment area residents. All of these multifamily properties qualify as affordable housing based on the rents that are charged in each

building. In addition, each of the properties are located in low- or moderate-income census tracts.

Economic Development

- The bank renewed a \$100,000 line of credit to an organization created by the New York State legislature that provides loans to small businesses, including start-up and early stage businesses in New York City, with a particular emphasis on minority- and women-owned businesses.

Community Development Services

- Amalgamated originated a \$3.0 million line of credit to a private nonprofit agency that provides free courses in adult education, such as computer literacy, English as a Second Language, and other programs directed to low- and moderate-income individuals. The training classes are at neighborhood-based locations throughout the five boroughs of New York City. The programs are funded by the New York City Council, New York State Department of Education.
- The bank originated a \$3.0 million line of credit to a nonprofit nursing home and rehabilitation center which provides health care services to low-income individuals. The vast majority of the individuals are low-income individuals, since the facilities receive Medicaid receipt payments of approximately 80 percent from the federal government for providing services to these low-income individuals. These facilities are located in upstate New York, which is outside the bank's New York/New Jersey assessment area. Although the nursing home is located outside the bank's assessment area, the loan has nonetheless received credit as a community development loan, as the bank has been responsive to the community development needs of this assessment area.

INVESTMENT TEST

Amalgamated has an adequate level of qualified community development investments within this assessment area. Although Amalgamated made no new investments in this assessment area during this evaluation period, it maintained approximately \$10.3 million in qualified investments from prior periods. The prior period investments represent approximately 0.3 percent of the institution's total assets. Details of the qualified investments carried over from the prior period are listed below.

- Between 1999 and 2007, Amalgamated invested \$14 million in the Access Capital Community Investment Fund. This organization invests in geographically specific debt securities located in portions of the U.S. designated by fund investors. The fund seeks to achieve its investment objective by investing primarily in debt securities designed to support underlying economic activities such as affordable housing, education, small

business lending, and job creating activities. The fund's current book value is approximately \$12.3 million, of which approximately \$3.5 million is allocated to this area.

- In 1999, the bank committed \$2 million to the Community Preservation Corporation (CPC). The CPC provides mortgage financing in selected neighborhoods or for projects that experience deterioration or disinvestment. The CPC accomplishes this goal by making construction and permanent mortgage loans to the private sector for the development and preservation of residential properties in low- and moderate-income areas of New York and New Jersey, with a concentration in the New York City area. Approximately \$853,859 has been funded to date.
- In 2000, the bank committed a total of \$1 million to the National Federation of Community Development Credit Unions. The organization serves low-income communities to alleviate poverty and economic disenfranchisement in such communities. Approximately \$750,000 has been designated for credit unions located in this assessment area.
- In June 2011, the bank purchased approximately \$5.2 million in government agency mortgage-backed securities. The securities are collateralized by a multifamily building located in a moderate-income census tract within the assessment area. The building is a federally subsidized housing complex with approximately 90.0 percent of its tenants having subsidized rents.

Grants and Donations

Amalgamated's Community Development Grant Program is designed to make a difference in the lives of low- and moderate-income individuals and families. The program supports nonprofit organizations that conduct community development activities in the bank's assessment areas. Table NY/NJ 7 summarizes the bank's community development donations.

Table NY/NJ 7 - CD Donation								
Year	Total		Affordable Housing		Community Services		Economic Development	
	#	\$ (000)	#	\$ (000)	#	\$ (000)	#	\$ (000)
2011	6	24	0	0	6	24	0	0
2012	20	67	7	49	11	15	2	3
2013	27	57	8	35	17	18	2	4
2014 - YTD	12	87	5	75	7	12	0	0
*BSWR	0	0	0	0	0	0	0	0
Total	65	235	20	159	41	69	4	7
Source: Bank records * <i>Broader Statewide Regional Area</i>								

Listed below are a sample of the bank's larger donations and contributions:

- Neighborhood Housing Services of New York City (NHSNYC) – During the evaluation period, the bank supported the NHSNYC by donating approximately \$144,000. This dollar amount represents 61.3 percent of the bank’s total donations in its NY/NJ assessment area. The NHSNYC is a nonprofit organization that assists in revitalizing underserved neighborhoods by creating and preserving affordable housing and providing opportunities for homeownership education, financial assistance and community leadership for low- and moderate-income individuals.
- Bedford Stuyvesant Restoration Corporation (BSRC) – Amalgamated donated approximately \$10,000 to BSRC, the nation’s first community development corporation. The organization partners with residents and businesses to improve the quality of life in Central Brooklyn. BSRC promotes mixed-income housing developments, provides workforce training in the form of financial literacy, job placement, and college preparation services.
- Bronx Works – The bank donated approximately \$7,000 to Bronx Works, which opened its first office in the Morris Heights section of the Bronx in 1972. Bronx Works provides many services to address the needs of low- and moderate-income individuals including, for example, workforce development and homelessness prevention.
- The New York Women’s Foundation (NYWF) - Amalgamated contributed approximately \$5,000 to NYWF. The NYWF seeks to improve the lives of women and families by funding organizations that promote the economic security of women and their right to live safely without violence. In 27 years, more than 5.7 million women and girls living at or below the poverty line in New York City have been served by 308 NYWF-supported organizations that promote economic security, safety, and health.

SERVICE TEST

Amalgamated provides a relatively high level of retail banking and community development services. Retail banking services are readily accessible to essentially all segments of its assessment area, including low- and moderate-income geographies. Online and mobile banking systems, the ATM network, and the extended branch hours, have increased the accessibility of bank products and services. Furthermore, the bank has organized and participated in workshops, expositions, and other programs that provide education and community development services to the residents of its assessment area, particularly the low- and moderate-income population.

Retail Banking Services

Accessibility of Delivery Systems

Branches are accessible to essentially all segments of the institution's assessment area. Furthermore, the accessibility of the bank's products and services is enhanced by its alternative delivery systems. Table NY/NJ 8 illustrates the distribution of the bank's branches and ATMs by census tract income level.

Table NY/NJ 8 – Branch Structure						
Branch and ATM Distribution	Census Tract Income Level					
	Low	Moderate	Middle	Upper	N/A	Total
Number of Branches as of November 17, 2014	3	3	9	6	0	21
Percentage of Branches	14.3	14.3	42.8	28.6	0.0	100.0
Number of ATMs as of November 17, 2014	6	7	17	13	0	43
Percentage of ATMs	14.0	16.3	39.5	30.2	0.0	100.0
Comparisons						
Percentage of Branches - All Institutions	5.8	16.2	31.7	43.8	2.5	100.0
Percentage of Households	13.5	25.6	29.2	31.6	0.1	100.0
Percentage of Families	14.3	26.0	30.7	29.0	0.0	100.0
Percentage of Businesses	7.1	17.0	27.1	46.4	2.4	100.0

Source: Bank records, 2010 U.S. Census, 2013 D&B

As illustrated in Table NY/NJ 8, the distribution of the bank's branches and ATMs among the low-income geographies is substantially higher than the percentage of branches maintained by all institutions in those areas. Furthermore, the bank's branch distribution is consistent with the demographics of those census tracts. Within the moderate-income geographies, the bank's distribution is comparable to all institutions, but lower than the demographic data.

Alternative Delivery Systems

Customers have 24-hour deposit account access through all ATMs except for the Seventh Avenue location. The branch ATM is open between 8:30 AM and 4:00 PM, Monday to Friday. The alternative delivery systems offered by the bank as a whole are the same for this assessment area. For a detailed discussion of the bank's overall alternative delivery systems performance, please refer to the narrative provided earlier in this evaluation.

Changes in Branch Locations

The bank has not opened or closed any offices within this assessment area since the previous FDIC CRA evaluation.

Reasonableness of Business Hours and Services in Meeting the Assessment Area Needs

Bank services and business hours do not vary in a way that inconveniences certain portions of the bank's assessment area, particularly low- and moderate-income geographies or individuals. Branch hours are convenient and comparable to other local financial institutions. Branch hours vary slightly, with offices opening between 8:30 AM to 9:00 AM and closing between 4:00 PM to 4:30 PM. All branches except for two offer Saturday hours. One branch, located in Brooklyn, offers Sunday hours.

Community Development Services

Amalgamated provides a relatively high level of community development services in this assessment area. The bank's activities largely involved financial literacy education and community development services to the residents of its assessment area, particularly the low- and moderate-income population. In addition, various members of the bank's staff offer their technical expertise through Board and committee memberships. Table NY/NJ 10 summarizes the community development services.

Table NY/NJ 10 – Community Development Services				
Year	Total	Community Development Services	Economic Development	Revitalization or Stabilization
	#	#	#	#
2011	28	25	3	0
2012	15	13	0	2
2013	41	37	4	0
2014	30	30	0	0
Total	114	105	7	2
<i>Source: Bank Records</i>				

The following are examples of the bank's recent efforts with respect to community development services:

During the examination period, the bank provided 78 workshops related to the bank's Money Sense financial literacy program. These workshops were held at various neighborhoods or local nonprofit organizations in low- and moderate-income geographies and primarily to low- and moderate-income area residents. The following illustrates some of these workshops:

- Amalgamated partnered with Midwood Development Corporation for several financial literacy events. Midwood Development Corporation focuses on improving the community by providing services which include assisting adults with developmental disabilities, educational and recreational services for youth and housing counseling. The bank provided Money Sense financial literacy training to first-time homebuyers, staff, and other audiences. Approximately 11 people attended the events, the majority of whom were of low- or moderate- income.

- A branch officer provided a Money Sense financial literacy training session to an audience in Brooklyn, New York, a low- and moderate-income area. The session discussed basic banking.
- A vice president of the bank conducted a financial literacy seminar at Opportunities for a Better Tomorrow (OBT) in Brooklyn, New York. OBT focuses on equipping disadvantaged youths and adults by providing job training, academic reinforcement, job placement, and support services. One branch officer also provided a financial literacy training session to OBT.
- One branch officer provided a financial literacy training session to an audience at East River Development Alliance (ERDA). ERDA is a nonprofit organization dedicated to expanding prosperity in public housing neighborhoods. The event was presented to approximately 11 individuals.

In addition to actively participating in specific events and programs conducted by local organizations, various bank officers and employees offer their technical expertise through serving on advisory committees and board memberships. Examples are listed below.

- The bank's vice president of community development serves as a board member of Bedford Stuyvesant Gateway BID. This organization helps maintain and revitalize the Bedford Stuyvesant community.
- The bank's vice president of community development volunteers for the Coalition for Debtor Education. This organization helps maintain and revitalize the Bedford Stuyvesant community.
- The bank's vice president of community development serves on the Resource Development Committee for Neighborhood Housing Services of New York City. The organization revitalizes underserved neighborhoods by creating and preserving affordable housing and providing opportunities for homeownership education, financial assistance and community leadership.
- The bank's executive vice president of community bank serves as a board member for the New York Women's Initiative. The New York Women's Initiative is a nonprofit organization that provides low-income women with training, funding and ongoing support to overcome social and economic barriers.
- The bank's vice president serves as a Board Member for Reaching out Community Services (RCS). RCS is a nonprofit organization that provides services to low-income individuals and families in the five boroughs of New York City. RCS leads the effort to eliminate hunger in the community by providing food and social services.

- A Director is a board member for the New York Communities Organizing Fund, Inc. (NYCOFI). NYCOFI is a community-based nonprofit organization that seeks to empower low- and moderate-income individuals through public education, research and advocacy.

WASHINGTON, D.C.

CRA RATING FOR WASHINGTON, D.C.: Needs to Improve.

The Lending Test is rated: Needs to Improve.

The Investment Test is rated: High Satisfactory.

The Service Test is rated: Needs to Improve.

SCOPE OF EXAMINATION

The evaluation included a full-scope review of Amalgamated's performance in Washington, D.C. The evaluation reviewed HMDA reportable 1-4 family and multifamily loans originated by the bank during 2012, 2013, and year-to-date 2014. The evaluation did not review Amalgamated's small business lending, as the bank originated no small business loans in this assessment area. The evaluation also reviewed community development activities conducted since the previous evaluation. Refer to Appendix A for additional information regarding the scope of examination.

Amalgamated also included Prince George County and Montgomery County, Maryland, in its Washington, D.C. assessment area. However, this rating is based only on the bank's performance in Washington, D.C., consistent with the requirements of the CRA. It is noted that the bank does not maintain any branches or ATMs in Montgomery or Prince George Counties. In addition, the bank did not originate any reportable loans in these two counties during the review period.

When assigning the institution's overall rating, the evaluation placed nominal weight on the bank's performance in this assessment area, as the bank has a limited presence in this area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WASHINGTON, D.C.

Overview

The bank's Washington, D.C. assessment area includes 179 census tracts. The assessment area consists of whole districts and does not arbitrarily exclude any low- and moderate-income census tracts. The Washington, D.C. assessment area is located in the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area (MSA #47900).

The bank operates one branch and four ATMs in an upper-income census tract within this assessment area. The branch represents 4.2 percent of the bank's 24 branch office locations. According to the FDIC's June 30, 2014 Deposit Market Share report, 0.53 percent of the bank's total deposits were located in the Washington, D.C. assessment area. This same data indicates that there are 34 FDIC-insured institutions operating in the area, with Amalgamated ranking seventeenth by deposit market share. A variety of the bank's credit and deposit products and other financial services are available in this area.

Demographic Information

Table D.C. 1 summarizes the demographic information of this assessment area.

Table D.C. 1 – Demographic Information						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Census Tracts	179	32.4	26.8	13.4	25.7	1.7
Population by Census Tract Income Level	601,723	31.3	24.9	12.2	30.3	1.3
Owner-Occupied Housing Units by Census Tract Income Level	293,492	17.3	25.6	16.4	40.7	0.0
Businesses by Census Tract Income Level	70,240	12.2	21.6	10.6	52.3	3.3
Families by Income Level	109,171	34.2	25.1	11.6	29.1	0.0
Families by Census Tract Income Level	109,171	38.5	15.6	13.9	32.0	0.0
Median Family Income		\$ 90,438	Median Housing Value		\$470,441	
HUD Adjusted MFI for 2013		\$ 105,900	Unemployment Rate		4.62%	
Households Below Poverty Level		6.0%				
Source: 2010 U.S. Census Data, 2013 D&B Data						

Table DC 2 summarizes the housing information for the Washington, D.C. assessment area:

Table D.C. 2 - Selected Housing Characteristics by Income Category of the Geography									
Geographic Income Category	Percentage						Median		
	House -holds	Housing Units	Owner- Occupied	Rental Units	Multi Family	Vacant Units	Age *	Housing Value\$*	Gross Rent**
Low	27.8	28.8	17.3	35.8	29.4	15.2	53	316,397	975
Moderate	24.4	24.5	25.7	23.5	20.7	12.6	60	402,965	1,009
Middle	13.4	13.1	16.4	11.1	13.3	10.2	59	416,001	1,208
Upper	34.4	33.6	40.6	29.6	36.6	10.0	61	673,000	1,530
NA	0.0	0.0	0.0	0.0	0.0	0.0	71	0	0
Total	100.0	100.0	100.0	100.0	100.0	100.0	61	361,673	944
<i>Source: 2010 U.S. Census Data, * - Owner-Occupied Units, ** - Renter-Occupied Units</i>									

Economic Information

The Washington, D.C. area's economy is slowly improving as the U.S. recovery accelerates. Federal budget cuts in the past years still have an impact on job growth, which is well below average. Income growth is weak, from 2011's 9.2 percent decreasing to 2013's 1.8 percent. In addition, the types of jobs created are increasingly skewed toward lower-quality positions, as the well-paying federal agencies reduce payrolls. The withdrawal of federal spending in this area has negatively impacted this area.

The high-tech industry is growing. The area has a large attraction for high-tech companies as well as workers. Silicon Valley's large tech firms have established offices in this area as federal policies become more important for technology. In addition, the area has the unique advantage of an established cybersecurity presence, which ranks high in the federal budget. This has solidified tech hiring for both the government as well as private firms.

The Washington, D.C. area experienced a mixed housing market growth. The number of single-family permits increased from 227 in 2011 to 333 in 2013. The number of multifamily permits decreased from 4,384 in 2011 to 2,922 in 2013.

The top employers excluding the federal government are the local transit system, which employs 10,853 workers, followed by George Washington University, which employs 10,576 workers, and Verizon Communications, which employs 10,400 workers. The unemployment rate for 2013 is 8.3 percent, which is an improvement from 2012's 9.1 percent.

Competition

There is a high level of competition to provide banking services within this area. In 2012, 379 lenders originated at least one HMDA-reportable loan in this assessment area. Wells Fargo Bank, N. A., First Savings Mortgage Corporation, U.S. Bank, N.A., and J.P. Morgan Chase dominate the assessment area.

Community Contact

The evaluation reviewed a community contact interview conducted in December 2014 to help determine the needs of the bank's assessment area. The organization is focused on reducing poverty, housing, and homelessness by building decent, affordable, energy-efficient homes for those in need. The contact was concerned primarily with the lack of outreach in these areas from bankers. Specifically, the contact did not see much participation from local community banks within the low- and moderate-income community. According to the contact, there is a serious need for people to provide financial education and homeownership counseling, particularly in regards to understanding credit scores and credit score requirements.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, the evaluation determined that community development outreach, particularly financial education, represents a primary need for the Washington, D.C. assessment area. With the increasing trend in new home construction, the assessment area also has a need for homeownership counseling.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WASHINGTON, D.C.

LENDING TEST

Lending Activity

Amalgamated's lending activity reflects poor responsiveness to the assessment area's credit needs.

The bank originated just eight loans in this assessment area during the review period, including four HMDA 1-4 family loans (three loans in 2013 and one in 2014) and four multifamily loans (one loan in 2012 and three in 2013).

According to 2012 aggregate HMDA data, the bank ranked 294th out of 397 residential lenders, with a 0.01 percent market share. This ranking is based on the one multifamily loan originated by the bank in 2012.

Geographic Distribution

Overall, the bank's geographic distribution of HMDA 1-4 family and multifamily loans is poor.

The geographic distribution of the four HMDA 1-4 family loans is poor. Although the bank originated half of its HMDA 1-4 family loans in the moderate-income census tracts, it represents just two loans in these areas for the entire evaluation period.

The geographic distribution of the bank's four multifamily loans is poor. The bank originated 75 percent of its multifamily loans in the low-income census tracts, which compares favorably to the area's demographics (29.4 percent of the multifamily units are in low-income census tracts). However, this performance is based on just three loans in the low-income areas for the evaluation period.

Borrower Profile

The distribution of HMDA 1-4 family loans by borrower income within the Washington, D.C. assessment area is poor. The four HMDA 1-4 family loans originated during the review period were all extended to upper-income borrowers.

Since borrower income information is not obtained or recorded for multifamily loans, this product was not evaluated.

Innovative or Flexible Lending Practices

The bank does not make use of innovative or flexible lending practices.

Community Development Lending

The bank made a low level of community development loans in the Washington, D.C. assessment area. The bank extended two community development loans totaling \$ 3.4 million in this assessment area. While this represents a low level of community development lending, it is nonetheless an increase over the prior evaluation, which recognized one community development loan totaling \$2.5 million. The following are descriptions of the bank's community development loans:

Affordable Housing

- Amalgamated originated a multifamily loan for \$1.7 million that addressed affordable housing needs within a low-income census tract in the Washington, D.C. assessment area. Approximately 98 percent of the units within the building qualify as affordable housing based on the rents charged in the building.

Revitalization or Stabilization

- The bank originated a \$1.8 million line of credit to a labor organization to construct a training center located in a moderate-income census tract in Washington, D.C. The training center will improve the neighborhood and help attract and retain jobs. The training center will assist entry-level laborers, most of whom are low- and moderate-income, to improve their skills.

INVESTMENT TEST

Amalgamated has a significant level of investments and grants in this assessment area. Investments within this assessment area totaled approximately \$10.7 million, of which approximately \$4.2 million represented new money. Total investments represented approximately 0.3 percent of total assets and 7.6 percent of total securities. Details of the investments maintained in this assessment area are listed below.

- The bank's investment in the Access Capital Community Investment Fund described previously also benefits this assessment area. The fund invests primarily in debt securities designed to support underlying economic activities such as affordable housing, education, small business lending, and job creating activities. The fund's current book value is \$12.3 million, of which approximately \$1.5 million is allocated to this assessment area.
- In 2000, the bank committed a total of \$1.0 million to the National Federation of Community Development Credit Unions (NFCDCU). The NFCDCU serves low-income communities in order to assist in alleviating poverty and economic disenfranchisement in

such communities. Approximately \$150,000 has been designated for credit unions located in this assessment area.

- In 2010, the bank invested \$1 million in the Partners for the Common Good (PCG). PCG is a Community Development Financial Institution (CDFI) that offers Community Development Notes that pay investors a below-market rate of interest. The assets from the Community Development Notes are placed as investments in Community-based organizations that facilitate the provision of low-income housing, economic development, and critical community services in distressed urban and rural communities in the Washington, D.C. area.
- In 2010, the bank committed \$4 million to the Solomon Hess Capital Management (SHCM). SHCM provides domestic banks with CRA eligible investments through the purchase of SBA 7(a), 504 and USDA small business loans. The firm provides targeted community investment opportunities by acquiring guaranteed portions of SBA 7 (a) loans where the underlying small business is either located in a low- or moderate-income census tract, is a CDFI, or provides opportunities or services to low- and moderate-income individuals within the assessment area. Approximately \$3.9 million of the allocated funds have been extended to eligible small businesses within the assessment area.
- In 2014, the bank purchased and sold approximately \$4.2 million in Fannie Mae mortgage backed securities. The securities were backed by an affordable housing complex located in a low-income census tract within the assessment area.

Grants and Donations

The bank made few grants and donations in the Washington, D.C. assessment area. The bank extended a total of five donations and grants for approximately \$18,000. The following is a description of the largest donation in this assessment area.

- United Way of the National Capital Area (UWDC) – Amalgamated Bank contributed approximately \$16,000 to UWDC. UWDC’s mission is to improve the lives of underserved individuals and families by partnering with other nonprofit organizations and businesses and providing programs and services to assist them. One of the services offered by UWDC is the 2-1-1 program, which is a federal program managed locally by UWDC. Through this program, an individual can call a non-emergency telephone number and speak to a UWDC specialist who assesses the callers’ needs and connects them to health, human services, and nonprofit agencies that can help.

SERVICE TEST

The bank's performance in the retail banking and the community development service test was poor within this assessment area.

Retail Banking Services

Accessibility of Delivery Systems

Delivery systems are accessible to limited portions of the institution's Washington, D.C. assessment area. Table D.C. 3 illustrates the distribution of branches and ATMs by census tract income level within this assessment area.

Table D.C. 3 – Branch Structure						
Branch and ATM Distribution	Census Tract Income Level					
	Low	Moderate	Middle	Upper	N/A	Total
Number of Branches as of August 18, 2014	0	0	0	1	0	1
Percentage of Branches	0	0	0	100.0	0	100.0
Number of ATMs as of August 18, 2014	0	0	0	4	0	4
Percentage of ATMs	0	0	0	100.0	0	100.0
Comparisons						
Percentage of Branches - All Institutions	10.7	24.3	30.3	30.9	3.8	100.0
Percentage of Households	27.7	24.4	13.4	34.5	0	100.0
Percentage of Families	34.2	25.1	11.6	29.1	0	100.0
Percentage of Businesses	12.2	21.6	10.6	52.3	3.3	100.0
<i>Source: Bank records, 2010 U.S. Census, 2013 D&B</i>						

As shown in Table D.C. 3, the bank's branch office and ATMs are located in upper-income census tracts. The bank's branch office is located in downtown Washington, D.C., near a mass transit station and is close to a major roadway.

Alternative Delivery System

The bank operates four ATMs located in upper-income census tracts within this assessment area. Two ATMs are on premise and are accessible from 8:30 AM to 5:00 PM, Monday through Friday. The two off-site ATMs are accessible 24-hours a day.

Changes in Branch Locations

The bank did not open or close any branches in this assessment area since the previous evaluation.

Reasonableness of Business Hours and Services in Meeting the Assessment area Needs

Bank services and business hours do not vary in a way that inconveniences portions of the bank's assessment area, particularly low- and moderate-income individuals. Branch hours are convenient and comparable to other local financial institutions. Banking hours for this branch are 8:30 AM to 5:00 PM, Monday thru Friday. Refer to the narrative provided in the Service Test section for the combined assessment area for details regarding Amalgamated Bank's services.

Community Development Services

During the evaluation period, Amalgamated Bank did not provide any community development services in this assessment area.

NEVADA

CRA RATING FOR NEVADA: *Needs to Improve.*

The Lending Test is rated: *Substantial Noncompliance.*

The Investment Test is rated: *Low Satisfactory.*

The Service Test is rated: *Low Satisfactory.*

SCOPE OF EXAMINATION

The evaluation included a full-scope review of Amalgamated's performance in its Nevada assessment area, which is located in Clark County (Las Vegas-Paradise assessment area). The evaluation focused on the bank's investments and services, as the bank did not extend any HMDA 1-4 family, multifamily, small business, or community development loans in this assessment area during the review period. Refer to Appendix A for additional information regarding the scope of examination.

When assigning the institution's overall rating, the evaluation placed nominal weight on the bank's performance in this assessment area based on its limited branch network, lending volume, and deposit activity. In addition, the bank is discontinuing its retail operation in this assessment area due to changes its core deposit base, which was predominantly driven by union membership.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEVADA

Overview

The bank's Las Vegas-Paradise assessment area consists of all 487 census tracts in Clark County, Nevada. The assessment area does not arbitrarily exclude any low- or moderate-income census tracts. The Nevada assessment area is located in the Las Vegas-Henderson-Paradise, Nevada MSA (MSA #29820).

The bank operates one branch and one ATM in a middle-income census tract. The branch represents 4.2 percent of the bank's 24 branch office locations. According to the FDIC's June 30, 2014 Deposit Market Share report, 0.1 percent of the bank's total deposits were located in this assessment area. This same data indicates that 38 other FDIC-insured institutions operate in the area, with Amalgamated ranking 34th by deposit market share. A variety of the bank's credit and deposit products and other financial services are available in this area.

Demographic Information

Table NV1 provides general demographic information for the Las Vegas-Paradise assessment area.

Table NV 1 – Demographic Information						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Census Tracts	487	5.7	23.2	41.3	29.8	0.0
Population by Census Tract Income Level	1,951,269	5.3	22.8	42.2	29.7	0.0
Owner-Occupied Housing Units by Census Tract Income Level	405,047	1.7	15.5	45.7	37.1	0.0
Businesses by Census Tract Income Level	118,200	4.9	21.8	42.1	31.2	0.0
Families by Income Level	457,592	20.1	18.0	22.0	39.9	0.0
Families by Census Tract Income Level	457,592	4.7	20.7	42.8	31.8	0.0
Median Family Income HUD Adjusted for 2013		\$63,888	Median Housing Value	\$253,307		
Households Below Poverty Level		\$63,100	Unemployment Rate			
Source: 2010 U.S. Census Data, 2013 D&B Data						

Economic Information

The rising level of tourists, both from neighboring states and outside of the region, has improved the Las Vegas-Paradise assessment area's economy. This improvement, along with the population rising by 1.5 percent per annum in 2012 and 2013, is sustaining demand for all types of private services and is producing employment growth nearly twice the U. S. average. However, with the falling of the average workweek and the average hourly wage gains, it indicates large portions of the jobs are lower paying and/or part time.

After six years of layoffs in the construction industry, which reduced the industry's footprint from 12 percent to 4.5 percent of total payrolls, builders have steadily hired over the last 18 months in response to demand for new retail and apartment space as well as renovations to the Strip and public infrastructure investment. The number of single-family permits has increased by 15.7 percent, from 2012's 6,108 to 2013's 7,067, and the number of multifamily permits has increased by 18.8 percent. House price appreciation has also increased considerably by 29.2 percent from 2012 to 2013.

The unemployment rate has steadily declined from 13.6 percent in 2011 to 10.0 percent in 2013. Median household income increased incrementally by 1.4 percent from 2011 to 2012, and by 2.0 percent from 2012 to 2013.

Competition

There is a high level of competition to provide banking services within this area. In 2012, 387 lenders originated at least one HMDA-reportable loan in this assessment area. Wells Fargo Bank, N. A., JPMorgan Chase Bank, N. A., Quicken Loans, and Bank of America, N.A. dominate the assessment area.

Community Contact

The evaluation reviewed a prior community contact conducted in May 2014 for insights into the area's economy and credit needs. The contact is associated with an organization that provides a full range of housing and community development programs to help build and sustain rural communities in Nevada, including the Las Vegas area. The organization serves approximately 1,700 low-income families a month with rental assistance. These families include elderly, disabled, veterans, and other low-income individuals. In addition, the organization provides innovative financing solutions to low- and moderate-income homebuyers. Nearly 1,000 families receive support on an annual basis with down payment assistance grants. The organization made approximately 500 affordable units available. The contact stated that Nevada needs down payment assistance programs, construction financing, and housing studies for affordable low-income construction and projects.

Credit and Community Development Needs and Opportunities

The Nevada assessment area has lending opportunities for multifamily/affordable housing to help develop and sustain low-income housing for eligible households and families. Based on information from the community contact and economic data, opportunities exist for financial institutions to originate loans to construct affordable housing to sustain employment, revitalize, and stabilize the assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEVADA

LENDING TEST

Lending Activity

Amalgamated showed a very poor lending responsiveness to this area, as the bank did not originate any HMDA 1-4 family, multifamily, or small business loans in the Las Vegas-Paradise assessment area during the review period.

Geographic Distribution

The geographic distribution of the bank's lending reflects very poor penetration throughout the assessment area.

The bank did not originate any HMDA 1-4 family or multifamily loans in this assessment area. According to the 2012 aggregate data, about 0.5 percent of the total 83,156 HMDA loans extended in this area were in low-income census tracts and 6.8 percent were in moderate-income census tracts. In addition, of the 47 multifamily loans extended in this area by all HMDA reporting lenders, 10.6 percent were extended in low-income census tracts and 48.9 percent were extended in moderate-income census tracts.

Borrower Profile

Overall, the distribution of income levels among borrowers reflects very poor penetration among retail customers of different income levels.

The bank did not originate any HMDA loans in this assessment area. The 2012 peer mortgage data indicated 9.2 percent of the HMDA loans extended by all HMDA reporting lenders were to low-income borrowers and 15.9 percent were to moderate-income borrowers. Borrower income data was not available for approximately 19.0 percent of the loans.

Community Development Lending

During the evaluation period, the bank did not originate any community development loans in this assessment area.

Innovative or Flexible Lending Practices

Amalgamated Bank does not use innovative or flexible lending practices.

INVESTMENT TEST

The institution has an adequate level of qualified community development investments in this assessment area. Since the previous evaluation period, the bank made no new investments in this area. However, the bank retained a prior period investment with Access Capital Community Investment Fund. The organization invests in geographically specific debt securities designed to support economic activities such as affordable housing, education, small business lending, and job creation. The current book value of the investment is \$12.3 million, with approximately \$3 million, or 24.4 percent of the fund's investment balance, allocated to this assessment area. The investment has a community development purpose, though it is not innovative or complex.

Prior period investments in this area are reasonable considering that the bank's deposits in this area total just \$3.2 million and represent only 0.1 percent of the bank's total deposits as of September 30, 2014. In addition, the lack of new investments in this area is consistent with the bank's strategic planning of closing its operations in Nevada.

Grants and Donations

The bank made few grants and donations in the Nevada assessment area. The bank extended one donation for \$600 to the United Labor Agency of Nevada (ULAN). ULAN is a nonprofit community service agency that assists low- and moderate-income individuals and families who are experiencing the hardship of an unexpected crisis. The organization helps by assessing the situation, assisting with the client's immediate needs, and working with the client to prepare a plan for self-sufficiency with a long-term goal of financial stability.

SERVICE TEST

The bank's overall performance under this test is adequate, driven primarily by its level of community development services.

Retail Banking Services

Table NV 2 shows the distribution of branches and ATMs by census tract income level within this assessment area.

Table NV 2 – Branch Structure						
Branch and ATM Distribution	CT Income Level					Total
	Low	Moderate	Middle	Upper	N/A	
Number of Branches as of August 18, 2014	0	0	1	0	0	1
Percentage of Branches	0	0	100.0	0	0	100.0
Number of ATMs as of August 18, 2014	0	0	1	0	0	1
Percentage of ATMs	0	0	100.0	0	0	100.0
Comparisons						
Percentage of Branches - All Institutions	5.1	21.6	47.1	26.2	0	100.0
Percentage of Households	5.5	22.9	43.0	28.6	0	100.0
Percentage of Families	4.7	20.7	42.8	31.8	0	100.0
Percentage of Businesses	4.9	21.8	42.1	31.2	0	100.0
<i>Source: Bank records, 2010 U.S. Census, 2013 D&B</i>						

Accessibility of Delivery Systems

Delivery systems are accessible to limited portions of the bank's assessment area. The institution currently operates one branch and one ATM in a middle-income census tract in this assessment area. This facility is located a supermarket in the southwest portion of Clark County. Banking hours are Monday thru Friday 10:00 AM to 5:00 PM and Saturday 10:00 AM to 3:00 PM. The accessibility of the bank's products and services are enhanced by its alternative delivery systems, which were discussed earlier in this evaluation.

Changes in Branch Locations

The bank's record of closing offices has adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies. The bank closed three of its four branches in this assessment area since the previous evaluations, including two branches in low-income census tracts and one branch in a moderate-income census tract. The office closures were part of the bank's plan to discontinue its retail operations in Nevada due to changes in the bank's core deposit base. Although the bank is withdrawing from this market, Table NV 2 shows that other banking service providers are available to low- and moderate-income families and businesses throughout the area.

Reasonableness of Business Hours and Services in Meeting the Assessment Area Needs

Bank services and business hours do not vary in a way that inconveniences certain portions of the bank's assessment area, particularly low- and moderate-income geographies or individuals. Branch hours are convenient and comparable to other local financial institutions. The bank's branch hours are Monday through Friday 10:00 AM to 5:00 PM and Saturday 10:00 AM to 3:00 PM.

Community Development Services

Amalgamated provides an adequate level of community development services in the Las Vegas-Paradise assessment area. During the examination period, the bank participated in four community development services. The bank's activities in this area primarily involved financial literacy education and community development services to the residents of its assessment area, particularly the low- and moderate-income population. The following summarizes the bank's recent efforts with respect to community development services:

- The bank provided four workshop/training sessions related to the bank's Money Sense financial literacy program. The topics covered were Basic Banking, Goal Setting, Spending Plan and Debt Management. The free seminars were held at HELP Las Vegas Veterans Apartments and HELP Genesis Apartments, two local nonprofit organizations that focus on low- and moderate-income geographies and/or low- and moderate-income persons within the bank's assessment area.

CALIFORNIA

CRA RATING FOR CALIFORNIA: Needs to Improve.

The Lending Test is rated: Substantial Noncompliance.

The Investment Test is rated: High Satisfactory.

The Service Test is rated: Low Satisfactory.

SCOPE OF EXAMINATION

The evaluation included a full-scope review of Amalgamated's performance in its California assessment area, which is located in Los Angeles County (Los Angeles assessment area). The evaluation focused primarily on the bank's investments and services, as the bank extended just one HMDA 1-4 family loan and no multifamily, small business, or community development loans in this assessment area during the review period. Refer to Appendix A for additional information regarding the scope of examination.

When assigning the institution's overall rating, the evaluation placed nominal weight on the bank's performance in this assessment area based on its limited branch network, lending volume, and deposit activity.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CALIFORNIA

This assessment area consists of all 2,346 census tracts in Los Angeles County, California. The area is located within the Los Angeles-Long Beach-Anaheim, California MSA (MSA #31080). The assessment area does not arbitrarily exclude any low- or moderate-income census tracts.

The bank operates one branch and two ATMs in an upper-income census tract. The branch represents 4.2 percent of the bank's total 24 branch office locations. According to the FDIC's June 30, 2014 Deposit Market Share report, 2.89 percent of the bank's total deposits were located in this assessment area. This same data indicates that 111 other FDIC-insured institutions operate in the area, with Amalgamated ranking 88th by deposit market share. A variety of the bank's credit and deposit products and other financial services are available in this area.

Demographic Information

Table CA 1 illustrates general demographic information for this assessment area.

Table CA 1 - Los Angeles assessment area – Demographic Information						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Census tracts	2,346	9.0	28.6	26.8	34.0	1.6
Population by Census Tract Income Level	9,818,605	8.0	29.4	28.3	33.9	0.4
Owner-Occupied Housing Units by Census Tract Income Level	1,552,091	2.1	16.6	28.6	52.6	0.1
Businesses by Census Tract Income Level	882,035	6.4	18.4	25.2	48.8	1.2
Families by Income Level	2,170,227	24.1	16.4	17.6	41.9	0.0
Families by Census Tract Income Level	2,170,227	17.2	42.9	24.8	15.0	0.1
Median Family Income		\$61,622	Median Housing Value		\$526,439	
HUD Adjusted MFI for 2013		\$61,900	Unemployment Rate		4.39%	
Families Below Poverty Level		14%				
Source: 2010 U.S. Census Data, 2013 D&B Data						

Economic Information

The Los Angeles assessment area's economy is progressing in pace with the nation. Strong growth in the tech industry and moderate gains in the trade and film industries have absorbed labor market slack and boosted housing demand. The unemployment rate has fallen annually. In addition, single-family home prices have risen. However, sales are more prevalent in Los Angeles area than in other parts of the state.

Competition

There is a high level of competition to provide banking services within this area. In 2012, 720 lenders originated at least one HMDA-reportable loan in the Los Angeles assessment area. Wells Fargo Bank, N. A., JPMorgan Chase Bank, N. A., Bank of America, N.A., Flagstar Bank, and Citibank dominate the assessment area.

Community Contact

The evaluation reviewed one community contact conducted in September 2014 to assist in developing the performance context for the evaluation. The contact is associated with a nonprofit economic development organization that primarily serves entrepreneurs and small businesses in Los Angeles County. The contact stated that while the economy shows signs of improvement locally, tightened credit standards continue to be an obstacle for small business borrowers. As a result, there is a strong need for small business lending, particularly with small dollar financing.

Credit and Community Development Needs and Opportunities

The evaluation determined that small business loans represent a primary credit need for the California assessment area. Based on information from the community contact, bank management, demographic and economic data, small business loans, particularly for start-up businesses, are in high demand.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CALIFORNIA

LENDING TEST

Lending Activity

Lending level reflects very poor responsiveness to assessment area credit needs. Amalgamated Bank originated just one HMDA 1-4 family loan and no multifamily, small business, or community development loans in the Los Angeles assessment area.

Geographic Distribution

The bank's geographic distribution of HMDA loans reflects very poor penetration throughout the assessment area, particularly in the area's low- and moderate-income geographies. The bank extended its single HMDA 1-4 family loan in a middle-income census tract.

Borrower Profile

The distribution of the HMDA loan by borrower income is very poor among retail customers of difference income levels. The bank extended its single HMDA 1-4 family loan to an upper-income borrower.

Community Development Lending

During the evaluation period, the bank did not originate any community development loans in this assessment area.

Innovative or Flexible Lending Practices

Amalgamated does not use innovative or flexible lending practices.

INVESTMENT TEST

During the evaluation period, the institution had a significant level of investments within this assessment area. The bank has \$19.8 in qualified investments in this area, including \$15 million in new investments and \$4.8 million in prior period investments. Total investments in this assessment area represent approximately 0.6 percent of the bank's total assets and 45.2 percent of total qualified investments. The majority of the bank's investments in this assessment area target economic development.

The qualified investments are listed below:

- The bank committed \$13 million to the Access Capital Community Investment Fund between 1999 and 2007. This organization invests in geographically specific debt securities designed to support underlying economic activities such as affordable housing, education, small business lending and job creating activities. The fund's current book value is \$12.3 million, of which, approximately \$4.3 million was allocated to this assessment area.
- In 2000, the bank committed \$1 million to the National Federation of Community development Credit Unions (NFCDCU). The NFCDCU developed an innovative investment vehicle to raise and channel funds to qualified community development credit unions serving the needs of low-income communities. The funds assist in alleviating poverty and economic disenfranchisement in such communities. A total of \$100,000 was designated for credit unions located in this assessment area.
- In 2009, the bank purchased a \$500,000 investment in the California Community Reinvestment Corporation (CCRC). The CCRC provides financing and technical assistance to facilitate the development of affordable housing. The current investment balance is \$370,608.
- Between June 2013 and June 2014, the bank purchased \$15 million in Progreso Financiero's Asset Backed Fixed Rate Notes. The organization is a CDFI that provides financial services to the under banked Hispanic communities in the assessment area and broader statewide region.

Grants and Donations

The bank made few grants and donations in this assessment area. The bank extended three donations for approximately \$2,800. The bank's largest donation for \$2,500 was to the Neighborhood Housing Services of Los Angeles County (NHSLA). NHSLA serves local residents, businesses, and government representatives who work together to build stronger neighborhoods, improve the quality of life for low- and moderate-income families, and revitalize communities.

SERVICE TEST

The bank's overall performance under this test is adequate, driven primarily by its level of community development services within this assessment area.

Retail Banking Services

Accessibility of Delivery Systems

Given the size of the assessment area, delivery systems are accessible to limited portions of the bank's assessment area. The branch is located in Pasadena in an upper-income census tract in a mixed-income area about nine miles northeast of Los Angeles.

Table CA 2 shows the distribution of branches and ATMs by census tract income level within this assessment area.

Table CA 2 – Branch Structure						
Branch and ATM Distribution	Census Tract Income Level					
	Low	Moderate	Middle	Upper	N/A	Total
Number of Branches as of August 18, 2014	0	0	0	1	0	1
Percentage of Branches	0	0	0	100.0	0	100.0
Number of ATMs as of August 18, 2014	0	0	0	2	0	2
Percentage of ATMs	0	0	0	100.0	0	100.0
Comparisons						
Percentage of Branches - All Institutions	6.9	16.5	27.8	46.3	2.5	100.0
Percentage of Households	16.4	29.7	32.1	21.8	0	100.0
Percentage of Families	15.3	29.3	35.8	19.6	0	100.0
Percentage of Businesses	7.9	25.6	33.7	31.3	1.5	100.0
<i>Source: Bank records, 2010 U.S. Census, 2013 D&B</i>						

Changes in Branch Locations

Since the previous evaluation period, the bank did not open or close any branch offices in this assessment area.

Reasonableness of Business Hours and Services in Meeting the Assessment area Needs

Bank services and business hours do not vary in a way that inconveniences portions of the bank's assessment area, particularly low- and moderate-income geographies or individuals. Branch hours are convenient and comparable to other local financial institutions. Banking hours for the bank's only branch is 8:30 AM to 5:00 PM, Monday to Friday.

Community Development Services

Amalgamated Bank provides an adequate level of community development services in the California assessment area. During the examination period, the bank participated in three community development services. The bank's activities in this area primarily involved financial literacy education and community development services to the residents of its assessment area, particularly the low- and moderate-income population. The following summarizes some of the bank's recent efforts with respect to community development services:

- The bank provided one workshop/training session related to the bank's Money Sense financial literacy program. The topics covered were Basic Banking, Goal Setting, Spending Plan and Debt Management. The free seminar was held at the Door of Hope, a local nonprofit organization targeted primarily to low- and moderate-income geographies and/or to low- and moderate-income persons within the bank's assessment area.
- One branch officer provided financial advice to Immanuel Housing Services. This session discussed ways to raise financial assistance for a low-income housing area in Baldwin Park, California.

APPENDIX A

SCOPE OF EXAMINATION

Amalgamated Bank
SCOPE OF EXAMINATION: Amalgamated was examined in accordance with Large Bank CRA evaluation procedures.
TIME PERIOD REVIEWED: 7/19/2011 through 11/17/2014
PRODUCTS REVIEWED: HMDA reportable 1-4 family and multifamily loans originated from 1/1/2012 to 9/30/2014. Community development loans, qualified investments, and community development services from 7/19/2011 to 11/17/2014.

LIST OF AFFILIATES AND PRODUCTS REVIEWED		
AFFILIATE(S):	AFFILIATE RELATIONSHIP:	PRODUCTS REVIEWED:
No affiliates reviewed.		

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA:	TYPE OF EXAMINATION:	BRANCHES VISITED:	OTHER INFORMATION:
New York/New Jersey (Multi-state MSA)	Full-scope	14 Street, New York City	
Washington, D.C.	Full-scope	None	
Nevada (Las Vegas-Paradise)	Full-scope	None	
California (Los Angeles)	Full-scope	None	

APPENDIX B

SUMMARY OF STATE AND MULTISTATE MSA RATINGS				
STATE OR MULTISTATE MSA NAME:	LENDING TEST RATING:	INVESTMENT TEST RATING:	SERVICE TEST RATING:	OVERALL STATE RATING:
NY/NJ Multi-state	Low Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Washington, D.C.	Needs to Improve	High Satisfactory	Needs to Improve	Needs to Improve
Nevada	Substantial Noncompliance	Low Satisfactory	Low Satisfactory	Needs to Improve
California	Substantial Noncompliance	High Satisfactory	Low Satisfactory	Needs to Improve

APPENDIX C - GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county. Census tract boundaries normally follow visible features, but they may follow governmental unit boundaries and other non-visible features in some instances. They always nest within counties. Census tracts average about 4,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogenous for population characteristics, economic status, and living conditions to allow for statistical comparisons.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved non-metropolitan middle-income geographies; or
- (5) Enable or facilitate projects or activities that address needs regarding foreclosed or abandoned residential properties in designated target areas.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community development loan: A loan that

(1) has as its primary purpose community development; and

(2) except in the case of a wholesale or limited purpose bank:

(i) has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and

(ii) benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community development service: A service that

(1) has as its primary purpose community development;

(2) is related to the provision of financial services; and

(3) has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Areas (CBSAs): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed middle-income nonmetropolitan geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) an unemployment rate of at least 1.5 times the national average;
- (2) a poverty rate of 20 percent or more; or,
- (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Family Income: Includes the income of all members of a family that are age 15 and older.

FFIEC-Adjusted Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: Performance under the applicable tests is analyzed considering performance context, quantitative factors (geographic loan distribution, borrower profile loan distribution, and total number and dollar amount of investments), and qualitative factors (innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the income of applications, the amount of loan requested, and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: Performance under the applicable tests is analyzed using only quantitative factors (geographic loan distribution, borrower profile loan distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Non-metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and non-metropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SCIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved middle-income nonmetropolitan geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for:

- population size, density, and dispersion indicating the area's population is sufficiently small, thin, and
- distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin). "Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.